

SF Small Business Summit

PROCUREMENT 101

OFFICE OF CONTRACT ADMINISTRATION



INTRO TO THE CITY OF SAN FRANCISCO'S PROCUREMENT OF NON- CONSTRUCTION GOODS & SERVICES

Presented by:

Office of Contract Administration (OCA)



TOPICS

PART 1. Procurement Basics

PART 2. Sourcing

PART 3. Supplier Compliance

PROCUREMENT BASICS

TYPES OF PURCHASES

01

Commodities & General Services

For example:

- Fuel
- Janitorial services

02

Professional Services

For example:

- Accounting services
- Engineering design

03

Construction

Renovation, construction, repair, demolition of "Public Work"

04

"Non Purchasing"

For example:

- Grants to CBOs
- Rents
- Gift Cards

05

Purchase Under Special Authority

For example:

- Health Related Commodities & Services
- MTA Authority
- Commodities & Gen. Services <\$10,000

PURCHASING AUTHORITIES

01

Commodities & General Services

Admin Code Chapter 21
(includes Technology Marketplace)

OCA (with some exceptions)

02

Professional Services

Admin Code Chapter 21 & 6

Chapter 21
Depts + OCA

Chapter 6
Depts

03

Construction

Admin Code Chapter 6

Chapter 6 Departments

04

"Non Purchasing"

Various Code & Charter provisions, policies, rules & regulations

Departments

05

Purchase Under Special Authority

For example:

- Chapter 21A
- Charter Sec. 8A
- Delegated Departmental Authority ("Prop Q")

Departments

Administrative Code Direct Link:

[http://library.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://library.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1)

PURCHASING INSTRUMENTS

SUPPLIER CONTRACT

- Construction
- Professional Services
- Commodity or general services required on a multi-year basis
- Grants
- Complex procurements (e.g. technology)

Recurring, multi-year, and/or as-needed purchases

Formal (sometimes negotiated) agreement

PURCHASE ORDER

One-time purchase of a defined quantity of goods or services

Encumbers funds before orders are placed with vendors

TYPES

- “Prop Q” PO (or “Dept Delegated PO”)
- OCA issued Purchasing PO
- PO Release against a Supplier Contract
- Non-Purchasing PO

OCA CONTRACT REVIEW – CHECKLISTS & PROCEDURES

All contracts submitted to OCA for review and signature must contain a completed checklist which can be found at:

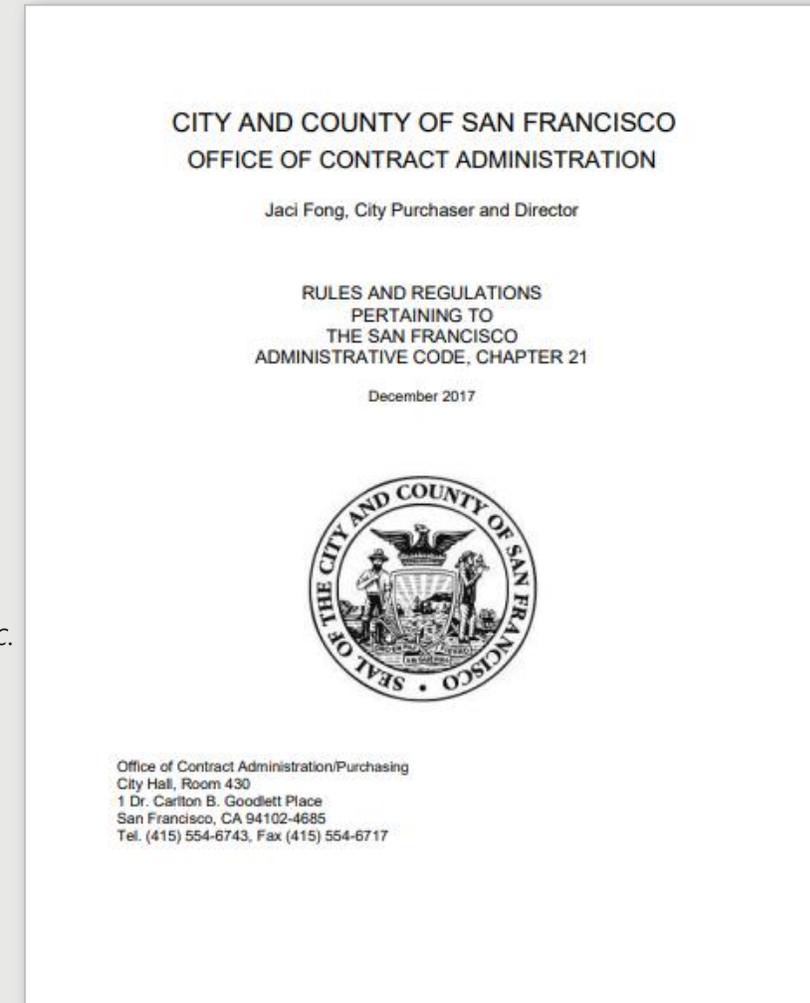
<https://sfgov.org/oca/resources>

- CL-100 (9-19): Services Contracts Certification Package Checklist
- CL-200 (9-19): Commodities/Software Contracts Certification Package Checklist
- CL-300 (9-19): Equipment Lease Contracts Certification Package Checklist
- CL-400 (9-19): Assignment and Assumption or Novation Certification Packet Checklist

SOURCING

COMPETITIVE SOLICITATIONS

- Acquisition of goods and services governed by City Administrative Code and rules & regulations:
 - *Administrative Code Chapter 21*
 - *OCA Chapter 21 Rules & Regulations*
 - *Administrative Code Chapter 14B (Local Business Enterprise Requirements)*
 - *Other: Chapter 19B, Chapter 12X, Chapter 12U, Environment Code Ch. 2 & 5 ([Green Purchasing Requirements](#)), etc.*
- The City typically must use competitive bidding procedures to select Suppliers
 - *Low Bid*
 - *Request for Proposals*
 - *Request for Qualifications, etc.*



CH. 21 SOLICITATION THRESHOLDS

	COMMODITIES			PROFESSIONAL SERVICES			GENERAL SERVICES		
CONTRACT VALUE	Less than or equal to \$10,000	Greater than \$10,000 but less than or equal to \$129,000	>\$129,000 (aka "Minimum Competitive Amt").	Less than or equal to \$10,000	Greater than \$10,000 but less than or equal to \$129,000	>\$129,000 (Minimum Competitive Amt)	Less than or equal to \$10,000	Greater than \$10,000 but less than or equal to \$706,000	>\$706,000 (aka "Minimum Competitive Amt").
SOLICITATION TYPE	No Solicitation Required	Informal Solicitation unless Waived by OCA.	Formal Solicitation unless Waived by OCA	No Solicitation Required	Informal Solicitation unless Waived by OCA	Formal Solicitation unless Waived by OCA	No Solicitation Required	Informal Solicitation unless Waived by OCA	Formal Solicitation unless Waived by OCA
Contract Monitoring Division LBE Subcontracting	Not Required	Not Required	Not Required	Not Required	Required if NTE is greater than \$64,500 (unless waived)	Required	Not Required	Required if NTE is greater than \$353,000 (unless waived)	Required
Contract Monitoring Division 10% LBE Bid Discounts When Evaluating Bids/Proposals	N/A	Applied	Applied for Transactions up to \$10MM	N/A	Applied	Applied for Transactions up to \$20MM	N/A	Applied	Applied for Transactions up to \$20MM
Eligible for Contract Monitoring Division's Micro Set Asides and SF First Programs?	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No

WAIVER OF Ch. 21 SOLICITATION REQUIREMENTS

- Chapter 21 allows competitive solicitations to be waived under certain circumstances. Examples:
 - Only one source for the good or service
 - Proprietary articles
 - Pilot project
 - Reciprocal agreements
 - Go to <https://sfgov.org/oca/requests-waive-solicitation-requirements> for full list of justifications for waiving Chapter 21 solicitation requirements.
- Chapter 21 solicitation waivers must be approved by OCA

TECHNOLOGY PROCUREMENTS

What is a Technology purchase? All digital products that contain or transmit data and/or interact with the City's networks in some manner are deemed to be a Technology Purchase.

Computer hardware Software systems Software maintenance
Software customization services Telecommunications

- All technology purchases MUST go through the OCA
- May be subject to review by the City's Department of Technology ("DT").
- Can NEVER be completed using Departmental Delegated Authority (aka Prop Q), even if under \$10,000.
- May be subject to City's Cybersecurity review requirements.

SUPPLIER COMPLIANCE

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Suppliers **must comply** with the **San Francisco Administrative Code Chapter 12B Equal Benefits Ordinance** – vendor **must** give equal benefits to employees along with their domestic partners/spouses without discrimination

Exceptions to 12B can be made if:

- City has never spent > \$5,000 with supplier during any given fiscal year
- Supplier is sole source for the purchase (requires waiver from CMD)
- Supplier has chosen to comply only for certain business locations (contract-by-contract compliance)

Suppliers **must also comply** with the **Treasurer & Tax Collector's (TTX) Business and Tax Regulation code**, which requires every person engaging in business within the City to register for business tax at:

<https://newbusiness.sfgov.org/vendor/>

OTHER SUPPLIER REQUIREMENTS

Depending on the type of purchase, **Suppliers may need to comply** with additional regulations at the time of bidding and during performance of the contract:

- **Chapter 14B Local Business Enterprise Ordinance** – subcontracting to LBEs
- **Administrative Code Chapter 12P** – Minimum Compensation Ordinance (MCO)
- **Administrative Code Chapter 12Q** – Health Care Accountability Ord. (HCAO)
- **Administrative Code Chapter 12U** – Sweatfree contracting
- **Administrative Code Chapter 12X** – Prohibited states
- **Administrative Code Chapter 83** – First Source Hiring
- **Chapter 21C** – Prevailing Wage

QUESTIONS

Contact OCA:

415-554-6743

oca@sfgov.org

<https://sfgov.org/oca/resources>

Additional Resources available at:

<https://sfgov.org/oca/purchasing-and-contracting-guidelines>

RESOURCES

Find City contracting opportunities:	https://sfcitypartner.sfgov.org/pages/Events-BS3/event-search.aspx
Register as a City Bidder or Supplier:	https://sfcitypartner.sfgov.org/pages/index.aspx
Business Tax Registration:	https://sftreasurer.org/business/register-business
Administrative Code Chapter 12B – Equal Benefits Ordinance:	https://sfgov.org/cmd/12b-equal-benefits-program
Administrative Code Chapter 12P – Minimum Compensation Ordinance (MCO):	https://sfgov.org/olse/minimum-compensation-ordinance-mco
Administrative Code Chapter 12Q – Health Care Accountability Ordinance (HCAO):	https://sfgov.org/olse/health-care-accountability-ordinance-hcao
Administrative Code Chapter 14B – Local Business Enterprise Ordinance:	https://sfgov.org/cmd/14b-local-business-enterprise-ordinance
Administrative Code Chapter 12X – Prohibited States:	https://sfgsa.org/chapter-12x-state-ban-list
Administrative Code Chapter 83 – First Source Hiring:	https://oewd.org/first-source
Administrative Code Chapter 21C – Prevailing Wage for Goods & Services:	https://sfgov.org/olse/prevailing-wage-non-construction
Cybersecurity Risk Assessment for Technology Procurements:	https://sfgov.org/oca/technology-procurement-considerations